

## Message Text

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FM SECSTATE WASHDC

TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

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E.O. 11652: GDS

TAGS: PINT, EGEN, PN, JM

SUBJECT: ARA WEEKLY HIGHLIGHTS

### 1. WEEK IN CONGRESS

ASSISTANT SECRETARY VAKY MADE COURTESY CALLS ON THE FOLLOWING MEMBERS OF CONGRESS:

--JULY 27: REP. GUS YATRON, CHAIRMAN, HOUSE INTER-AMERICAN AFFAIRS SUBCOMMITTEE.

-- JULY 28: REP. DANTE FASCELL, CHAIRMAN, HOUSE INTER-NATIONAL OPERATIONS SUBCOMMITTEE. AMONG TOPICS DISCUSSED  
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WERE HAITIAN REFUGEES IN FLORIDA AND OUR APPROACH TO THE CARIBBEAN.

-- JULY 28: SEN. PAUL SARBANES, CHAIRMAN, SENATE WESTERN HEMISPHERE SUBCOMMITTEE.

-- JULY 31: SEN. RICHARD STONE, MEMBER, SENATE WESTERN

HEMISPHERE SUBCOMMITTEE FOR A DISCUSSION OF MEXICAN TOMATO IMPORTS AND IMET FOR NICARAGUA.

ON JULY 27, THE HOUSE OF REPRESENTATIVES, WHILE VOTING ON A FIVE-YEAR EXTENSION OF THE EXPORT-IMPORT BANK, REJECTED AN AMENDMENT OFFERED BY REPRESENTATIVE TOM HARKIN OF IOWA. THE AMENDMENT WOULD HAVE BARRED EX-IM BANK FINANCING OF US EXPORTS TO COUNTRIES THE SECRETARY OF STATE FINDS ENGAGED IN A CONSISTENT PATTERN OF HUMAN RIGHTS VIOLATIONS. THE VOTE WAS 286 TO 103 AGAINST THE PROPOSAL. THE ADMINISTRATION HAD OPPOSED THE AMENDMENT AS TOO RIGID AND WARNED THAT IT COULD COST THE US ECONOMY AND AMERICAN WORKERS SIZEABLE AMOUNTS OF BUSINESS.

IN OTHER DEVELOPMENTS DURING THE WEEK, THE HOUSE DEBATED ON THE SECURITY ASSISTANCE AUTHORIZATION BILL AND HEARINGS WERE HELD IN THE HOUSE INTERAMERICAN AFFAIRS SUBCOMMITTEE ON ARMS TRADE.

2. SSA BUDGET DELIVERATIONS

DURING THE PAST TWO WEEKS, ARA HAS BEEN WORKING CLOSELY WITH S/P IN PREPARING SECURITY SUPPORTING ASSISTANCE (SSA) REQUESTS -- ECONOMIC ASSISTANCE DIRECTED TOWARD COUNTRIES WHICH ARE CRITICAL TO KEY US POLICY OBJECTIVES AND WHICH ARE EXPERIENCING BALANCE-OF-PAYMENT DIFFICULTIES -- FOR FY

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198U. THE BUREAU HAS ATTEMPTED WITH SOME SUCCESS TO MAKE THE POINT THAT, WITHOUT SSA, ARA HAS FEW TOOLS WITH WHICH TO RESPOND TO THE NEEDS OF MIDDLE-INCOME COUNTRIES OR ENCOURAGE THE PROCESS OF DEMOCRATIZATION IN ALL CASES.

3. STATE/COMMERCE TEAM VISITS JAMAICA

A JOINT STATE/COMMERCE INVESTMENT TEAM, HEADED BY DEPUTY ASSISTANT SECRETARY OF STATE RICHARD ARELLANO, COMPLETED A FOUR-DAY VISIT TO JAMAICA ON JULY 28 WHERE IT STUDIED THE JA,AICAN INVESTMENT CLIMATE. IN ADDITION TO MEETING WITH SEVERAL GOJ MINISTRY OFFICIALS AND REPRESENTATIVES OF PRIVATE INDUSTRY, THE TEAM CONSULTED WITH JAMAICAN PRIME MINISTER MANLEY.

4. ARA WEEKLY ISSUE: CANADA - TREND TOWARD DEMOCRATIZATION WITHOUT EARLY ELECTIONS

LAST WEEK WE POINTED OUT THE ENCOURAGING TREND IN LATIN AMERICA IN OPENING UP THE POLITICAL PROCESS AND ARGUED THAT WE SHOULD TRY TO ENCOURAGE THE EVOLUTION OF MORE DEMOCRATIC PROCESSES WITHOUT BEING TOO DISAPPOINTED AT INDIVIDUAL

FLAWED ELECTIONS. IN SOME COUNTRIES, WE NOTED, THE OPENING IN PROCEEDING AT WHAT MAY BE AN UNSUSTAINABLE PACE TO EARLY

POPULAR ELECTION OF THE NATIONAL LEADERS. PANAMA IS A CASE IN WHICH THE OPENING UP PARALLELS THAT IN THE MORE RAPIDLY MOVING COUNTRIES BUT WITHOUT THE PROSPECT OF AN EARLY POPULAR CHOICE OF NATIONAL LEADERSHIP, AT LEAST UNDER PRESENT PLANS.

SINCE THE OVERTHROW OF PRESIDENT ARNULFO ARIAS BY THE NATIONAL GUARD IN 1968, PANAMA HAS BEEN GOVERNED UNDER A LARGEY AUTHORITARIAN POLITICAL SYSTEM. THE PRESS WAS CONTROLLED, POLITICAL PARTIES OUTLAWED, OTHER BASIC FREEDOMS RESTRICTED AND NUMEROUS INDIVIDUAL HUMAN RIGHTS

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ABUSES OCCURED, PARTICULARLY BETWEEN 1968-1972. THE CONSTITUTION OF 1972 PROVIDED FOR A TWO-STAGE PRESIDENTIAL PROCESS: POPULAR ELECTION OF THE NATIONAL ASSEMBLY AND ELECTION BY THAT BODY OF THE PRESIDENT AND VICE PRESIDENT. THE CONSTITUTION ALSO GRANTED TORRIJOS EXTRAORDINARY POWERS AS HEAD OF GOVERNMENT UNTIL OCTOBER 1978.

IN 1977, AS THE CANAL TREATIES CAME UP FOR RATIFICATION HERE, TORRIJOS ACCELERATED GREATLY THE OPENING UP OF THE POLITICAL PROCESS TO ENHANCE PANAMA'S IMAGE ABROAD. THE OPENING HAS SEENSE BEEN WIDENED:

-- RESTRICTIONS ON THE PRESS HAVE BEEN LIFTED, ALTHOUGH THE MEDIA STILL PRACTICES SELF-RESTRAINT; PUBLIC CRITISM OF THE GOVERNMENT IS NOW TOLERATED AND WIDESPREAD;

-- THERE HAVE BEEN FEWERE CASES OF HUMAN RIGHTS ABUSES;

-- POLITICAL PARTY ACTIVITY IS OPEN AND INTENSE, EXTENDING TO VIRULENT ATTACKS ON TORRIJOS PERSONALLY;

-- ALTHOUGH THE PARTIES TECHNICALLY REMAIN OUTLAWED, TORRIJOS HAS SUGGESTED THEIR LEGALIZATION;

-- ALL POLITICAL EXILES HAVE BEEN ALLOWED TO RETURN AND IN FACT MANY HAVE, INCLUDING ARIAS;

-- RESTRICTIONS ON FREEDOM OF ASSEMBLY AND ARBITRARY ARREST HAVE BEEN REMOVED, AND

-- TORRIJOS HAS COMMITTED HIMSELF TO DIRECT ELECTIONS FOR PRESIDENT IN 1984.

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WHILE DIRECT PRESIDENTIAL ELECTIONS ARE SIX YEARS OFF  
AND ARE STILL TECHNICALLY ILLEGAL, THE POLITICAL OPENING

IN PANAMA IS CLEARLY FLOURISHING. AFTER TEN YEARS OF UN-  
CONTESTED POWER, TORRIJOS NOW FACES VOCAL OPPPOSITION WITH  
STRENGTH AND POPULAR APPEAL. VIGOROUS CAMPAIGNS ARE NOW  
UNDER WAY, ON AN INDIVIDUAL INSTEAD OF PARTY BASIS, FOR  
THE NATIONAL ASSEMBLY ELECTIONS ON AUGUST 6. THE ELEC-  
TIONS ARE EXPECTED TO BE FAIR AND HONEST, WITNESSED BY  
OAS OBSERVERS. TORRIJOS HAS USED HIS PERSONAL INFLUENCE  
TO ASSURE CANDIDATES SUPPORTING HIM WILL WIN CONTROL OF  
THE THE ASSEMBLY, BUT HE IS NONETHELESS NOW IN A NEW  
BALLGAME. THE POLITICAL PROCESS IS EVOLVING RAPIDLY, AND  
WHILE TORRIJOS RETAINS STRONG SUPPORT, INCLUDING THE  
NATIONAL GUARD, AND SHOULD BE ABLE TO KEEP THE OPPOSITION  
AT BAY FOR AWHILE, THE PROCESS MAY HAVE GONE TOO FAR FOR  
TORRIJOS TO REVERSE OR CONTROL IT.

WHATEVER THE OUTCOME, THE PACE TOWARD DEMOCRATIZATION  
MAY BE UNEVEN, AND POSSIBLY EVEN TURBULENT, BUT THE OPEN-  
ING HAS EMERGED AND IS BEING EXTENDED. WITH THE PROCESS  
UNDERWAY, WE MIGHT NOW GIVE INCREASED ATTENTION TO IMPLI-  
CATIONS FOR US INTERESTS IN THE CANAL ITSELF AND TO US  
ACTIONS AND POSITIONS WHICH MAY IMPACT ON THE EVOLUTION  
OF MORE DEMOCRATIC POLITICAL INSTITUTIONS. VANCE

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